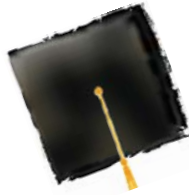


Dear Friend,

A college education is the key to a successful future and one of the most important investments you will ever make. According to the College Board, those with a college diploma typically earn nearly one million dollars more over a lifetime than an individual with just a high school diploma.



There is no doubt that the cost of a higher education is scary. Nationally, average tuition and fees at a public, four-year college top \$9,000 a year and approximately \$20,000 at a private school. Idaho's price tag falls between 15-20% less than the national average.

As a rule of thumb, parents should expect to pay at least half to two-thirds of their children's college costs through a combination of savings, current income, and loans. Financial aid from the government, colleges and universities, and private scholarships accounts for only about one third of total college costs (www.finaid.org). Savings is the first and most important step in financing a college education. It is never too late to start, and no amount is too small.

It is my sincere hope that this information will help parents and families start the discussion – and the planning process – around paying for college. The good news is that help is available.

You can do this – college is possible and affordable!

"No amount is too small!"

(This information is being offered as a public service to Idaho families. Please check with your financial and tax advisors before making investment decisions.)

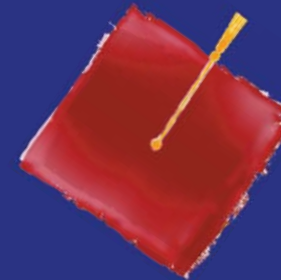
*Treasurer Crane's
Paying for College Inside Tips:*

- Don't finance college with credit cards or cash out your retirement fund.
- Teach your kids financial responsibility well before they hit campus (responsible credit card use, how to balance a check book, how to prepare a budget).
- Don't waste your time on fee-based scholarship services. All you need to know about obtaining scholarships is available on the web at no cost.
- Contact the Idaho Department of Education (www.sde.state.id.us/dept). A comprehensive list of scholarships and grants are available for students planning to attend Idaho colleges.

Contact Treasurer Ron Crane:
(208) 334-3200
ron.crane@sto.idaho.gov

Your Guide to Paying for College

**"You Can Do This -
College is Possible and
Affordable"**



A public service of the
Idaho State Treasurer Ron G. Crane

* Investment return will vary due to market volatility and investment related expenses. The example does not include these factors or the impact of any federal or state taxes on the investment.

** Idaho tax benefits offered in connection with an investment in Ideal are available only to Idaho taxpayers.

*** Current federal and Idaho statutes exclude funds invested in Ideal from federal and Idaho income tax, subject to certain requirements. Changes to such statutes may reduce or eliminate these exclusions. Taxpayers should seek tax advice from an independent tax advisor based on their own particular circumstances.

IDeal
Idaho College Savings Program

Saving: "It's Never Too Late To Start"

Start saving for your child's college education as soon as possible, ideally the day your child is born. Time is one of your most valuable assets. The sooner you start saving for college, the more time your money will have to grow.

Even a modest monthly contribution adds up fast. For example, saving \$50 a month, assuming a 7% return on investment, would yield about \$20,000 by the time your child is ready for college.*

Even if your child is just a few years away from college, it is never too late to start saving. There are tax benefits to saving in a section 529 college savings plan.

The Idaho State Treasurer's office houses Idaho's 529 College Savings Plan, *IDeal*, a tax-advantaged plan to help families pay for the cost of college.

The amount you contribute each year may be deducted from your Idaho taxable income up to a maximum of \$4,000 per individual taxpayer (\$8,000 for joint filers). The state income tax deduction is available to you every year, and contributions made by December 31 may be deducted on that year's return. **

Contributions grow state and federal tax-free and qualified withdrawals are free from federal and Idaho income tax. ***

Sign up for IDeal Today!
www.idsave.org
or call 1-866-433-2533

Savings Tips:

- Check out www.Savingforcollege.com — an excellent source for objective information about Section 529 college savings plans, comparing expenses and fees, fund choices and performance, rules on withdrawals, annual or lifetime funding limits, and tax-advantaged features.
- Families have many savings options available to them. Check out www.finaid.org for a complete list, including determining how much is needed, tips for making saving easier, college savings calculators, the advantages and disadvantages of different savings vehicles, and more.



Loans, Scholarships, & Other Financial Aid: Know What You Are Eligible For

The government expects parents to contribute to their child's education. All families should fill out a Free Application for Federal Student Aid, or FASFA, to start the process. The information provided on the FASFA is used to calculate a student's eligibility for federal and state financial aid, as well as for college aid packages.

Many families mistakenly think they don't qualify for aid and prevent themselves from receiving financial aid by failing to apply for it. Families with a child a year from college should fill out and submit the FASFA form after Jan. 1 of next year. The application and deadlines are available online at www.fasfa.com. There is no good excuse for not applying.

Don't Forget!

- An education **loan** is a form of financial aid that must be repaid, with interest.
- There are sources of aid such as unsubsidized Stafford and PLUS loans that are available regardless of need.
- Scholarships and grants are forms of aid that do not have to be repaid. With more than \$3 billion in scholarships, check out www.FastWeb.com, a large, accurate and frequently updated scholarship database.
- Contact your child's financial aid office for assistance in moving through the process, deadlines, and information on school scholarships or other aid.

<http://sto.idaho.gov/>